



Tip of the Week: Fraud, Program Abuse, and Criminal Conduct

Fraud may be defined as the intentional or deliberate deception to secure monetary or personal gain. It may encompass, but not limited to:

- Bribery, forgery, extortion, or embezzlement.
- Theft of participants' checks.
- Kickbacks from participants or contractors.
- Intentional payments to a contractor without expectation of receiving services.
- Payments to ghost enrollees.
- Misuse of appropriated funds.
- Misrepresenting information in official reports.

The Uniform Guidance, 200.435 (3) defines fraud as acts of fraud or corruption or attempts to defraud the Federal Government or to corrupt its agents; acts that constitute a cause for debarment or suspension (as specified in agency regulations); and acts which violate the False Claims Act.

Subrecipients and their subrecipients shall comply with USDOL [Training and Employment Guidance Letter \(TEGL\) No. 2-12, issued July 12, 2012](#), or any change or revision thereafter. TEGL 2-12 transmits procedures to be followed by all Employment and Training Administration ("ETA") grant recipients for reporting allegations of fraud, program abuse or criminal conduct involving grantees or other entities and subrecipients receiving Federal funds either directly or indirectly from ETA.

Subrecipients must also disclose, in a timely manner, in writing to the DWD all violations of Federal criminal law involving fraud and any other criminal activity at the same time any report is made to the USDOL. The embezzlement from WIOA funds, improper inducement, and the obstruction of investigations shall be subject to certain penalties as allowed by appropriate State law.

The DWD specifically requires that Subrecipients have a well-defined policy on procedures to report fraud, program abuse, and criminal conducts to the DWD. The DWD will review this policy on its annual monitoring.

For additional information about Missouri Division of Workforce Development services, contact a Missouri Job Center near you. Locations and additional information are available at jobs.mo.gov or (888) 728-JOBS (5627). Missouri Division of Workforce Development is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Missouri Relay Services are available at 711.

